SUPREME COURT, U. S.

FILED

MAY 10 1968

JOHN F. DAVIS, CLERK

IN THE

Supreme Court of the United States

October Term, 1968

No. [redacted] 83

AMERICAN MANUFACTURING CO. OF TEXAS,
Petitioner,

vs.

THE HEALD MACHINE COMPANY,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

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BATAVIA TIMES, LAW PRINTERS,
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IN THE

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AMERICAN MANUFACTURING CO. OF TEXAS,
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THE HEALD MACHINE COMPANY,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

Your petitioner, American Manufacturing Co. of Texas, prays that a Writ of Certiorari issue to review the judgment of the United States Court of Customs and Patent Appeals entered in this case on November 9, 1967, a petition for rehearing having been denied February 15, 1968.

Opinion Below

The opinion of the United States Court of Customs and Patent Appeals is reported at 55 CCPA , 385 F. (2) 456, 155 USPQ 515, and its denial of rehearing is not reported. The opinion and order denying rehearing are set forth in the Appendix A.

Jurisdiction

(1) The jurisdiction of this Court is based on Title 28 USC Section 1256.

(2) The jurisdiction of the United States Court of Customs and Patent Appeals is based on Section 21 of the Trademark Act of 1946 as amended, Public Law 489, 79th Congress, Chapter 540, approved July 5, 1946, 60 Stat. 427 (15 USC 1071).

Questions Presented

(1) Does this Court have certiorari jurisdiction under 28 USC 1256 to review decisions of the United States Court of Customs and Patent Appeals in cases arising under the *trademark* laws of the United States as distinguished from cases arising under the *patent* laws?

(2) Has the United States Court of Customs and Patent Appeals in its decision affirming the decision of the Trademark Trial and Appeal Board of the United States Patent Office in its refusal to register applicant's mark BORMASTER properly applied the provisions of Section 2(d) of the Trademark Act of 1946 [15 USC 1052(d)] in the light of the facts and circumstances in the case, including the suggestive nature of the respective marks of the parties, the cost of the goods involved, and the discriminating character of the purchasers of such goods, particularly when the Board in its decision, affirmed by the Court, found "elements of *doubt* as to whether confusion would be likely because of the *highly suggestive* nature of the marks of the parties"?

Statutes Involved

The following statutes are involved:

(1) Title 28 USC 1256

"Cases in the Court of Customs and Patent Appeals may be reviewed by the Supreme Court by writ of certiorari."

(2) Trademark Act of 1946 as amended, Public Law 489, 79th Congress, Chapter 540 as amended Title 15 USC 1052, Section 2(d)

"No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it—

* * *

(d) consists of or comprises a mark which so resembles a mark registered in the Patent Office or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when applied to the goods of the applicant, to cause confusion, or to cause mistake, or to deceive: * * *"

Statement of the Case

In the following statement pages of the Transcript of Record before the Court of Customs and Patent Appeals Paper No. 1, as certified by the Clerk, will be referred to as T. R., followed by the page number. The various papers certified by the Clerk will be referred to by the paper number designated in the Clerk's certificate, and the physical Exhibits A-F filed with the affidavit of Arbogast, and Exhibit A filed with the affidavit of Lott, will be referred to by letter number and the name of the affiant.

Petitioner-Appellant has applied for registration of the trademark BORMASTER, Serial No. 176,871, filed Septem-

ber 23, 1963, for CROSS SLIDE ASSEMBLIES FOR METAL WORKING LATHES (T. R. 9). This application was initially favorably acted on by the Trademark Examiner under Section 12(a) of the Trademark Act (15 USC 1062a) even though opposer's registration No. 292,921 (T. R. 11) of the name BORE-MATIC for MACHINES FOR THE PRECISION FINISHING OF HOLES OR BORES IN PARTS OF METAL, FIBER, AND LIKE MATERIALS had been registered March 29, 1932. After such examination applicant's mark BORMASTER was published in the Official Gazette for February 25, 1964. Registration was opposed under Section 13 of the Trademark Act (15 USC 1063) by Notice of Opposition filed March 23, 1964 by Respondent-Opposer The Heald Machine Company, of Worcester, Massachusetts (T. R. 15) on the basis of its registration of the name BORE-MATIC, No. 292,921, referred to above, alleging likelihood of confusion. Applicant filed its answer April 27, 1964 denying the allegations of the Notice of Opposition.

No oral testimony was taken but affidavits were filed on behalf of the respective parties (T. R. 20 and 23) together with Exhibits A-F of Heald filed with the affidavit of Arbogast, and Exhibit A of American filed with the affidavit of Lott, setting forth stipulated facts in the case and showing among other things that the goods of the parties were specifically different, opposer's mark being used as shown in the exhibits on a *complete machine* for performing certain functions, while applicant's mark was used only in connection with *attachments* for its AMCOT lathes, the attachments selling for around $5,500.00 each, and the AMCOT lathes for approximately $50,000.00 each.

The respective records, including the affidavits and exhibits, further show that opposer emphasizes the suffix "-MATIC" with a hyphen before it in its business and is

using a small family of marks including this syllable, while applicant uses the suffix "MASTER" in connection with its BORMASTER and SPEEDMASTER for various attachments for its AMCOT lathes.

Also, opposer's exhibits A-F filed with the affidavit of Arbogast show that opposer's mark BORE-MATIC is used together with the company name "HEALD", which latter name is always shown in large letters and which is the basic trademark used by opposer in connection with its goods, while the name BORE-MATIC and other subsidiary marks are used in smaller letters.

In general the record, including the affidavits and exhibits, sets forth the type of customers, sales channels, the purposes for which the goods are bought, the amount expended by Heald in advertising its goods as well as *other trademarks* used by the respective parties on related goods and the fact that both opposer and applicant use their basic house marks—HEALD by opposer and AMCOT by applicant, in connection with their marks. Specific marks include CENTRI-MATIC, GAGE-MATIC, SIZE-MATIC and BORE-MATIC used by opposer, and BORMASTER and SPEEDMASTER by applicant. All of these marks are used for machines, tools or parts thereof, which goods are classified in Trademark Class 23 (T. R. 9, 10, 11, 13, 20 and 23).

On the basis of the record and the principles of law involved both parties filed briefs and presented their cases to the Patent Office at oral hearing.

The trademark opposition proceedings in the Patent Office were conducted before the Trademark Trial and Appeal Board in accordance with Section 7 of the Trademark Statute (15 USC 1067), and on July 30, 1965 the Board rendered a decision sustaining the opposition and refus-

ing registration of the name BORMASTER, which had been previously found registrable by the Trademark Examiner, in view of opposer's registration and use of the mark BORE-MATIC as covered by registration No. 292,921 (T. R. 24, 25, 26).

The Board recognized that the prefix "BOR" or "BORE" may be *publici juris* as applied to boring machines, and further indicated that there may be "some elements of *doubt* as to whether confusion would be likely because of the *highly suggestive nature* of the marks of the parties" (emphasis added). The Board also recognized the relatively high cost of the goods but nevertheless resolved its *doubts* in favor of opposer.

On August 23, 1965 a notice of appeal to the United States Court of Customs and Patent Appeals was filed with the Patent Office (T. R. 26), followed by a petition of appeal filed with the Court on October 1, 1965.

On October 5, 1967 the appeal was heard by the Court of Customs and Patent Appeals and on November 9, 1967 Judge Almond, speaking for the majority of the court, sustained the decision of the Patent Office refusing registration of the name BORMASTER, Judges Rich and Smith dissenting (Paper No. 3). In its decision the majority of the Court while stating that it agreed with the Trademark Trial and Appeal Board that there may be some elements of *doubt* as to whether confusion would be likely to arise under the particular circumstances of the case but nevertheless ruled that such doubt must be resolved in favor of the first user, in this case the opposer.

The two dissenting judges, Rich and Smith, both pointed out that if *all the pertinent facts and circumstances* relating to the use of applicant's goods in relation to oppos-

er's marks and uses were taken into consideration there would be no *doubt* and no likelihood of confusion. Judge Rich further pointed out that by *statute* both the court and the Patent Office are required to consider realistically *all* the circumstances pertaining to the use of applicant's goods vis a vis, the opposer's marks and uses, and that this was not done by the Board in its decision refusing registration, which decision was affirmed by the Court. The following is quoted from Judge Rich's dissent:

> "The test we have to apply here is a statutory test as prescribed in section 2(d) of the Lanham Act (15 U. S. C. 1052(d)). It is not enough that there are resemblances between the marks and similarities between, or even identity of, goods and priority in the opposer. The test of the statute is that applicant's mark
>
> > * * * *so* resembles a mark registered in the Patent Office or a mark * * * previously used in the United States by another and not abandoned, *as* to be likely, *when applied to the goods of the applicant*, to cause confusion, or to cause mistake, or to deceive: * * * [My emphasis.]
>
> We are thereby required to consider realistically *all* of the circumstances pertaining to the use of the applicant's mark on the applicant's goods *vis a vis* the opposer's marks and uses. I do not believe the board did so."

Similarly Judge Smith in his dissenting opinion emphasized that *all the facts* of record must be properly weighed and considered before denying registration under Section 2(d) of the Trademark Statute.

The jurisdiction of the United States Court of Customs and Patent Appeals is based on Section 21 (15 USC 1071a) the pertinent portion of which is quoted as follows:

§ 21 (15 U. S. C. 1071)

"Appeal to court and review by civil action

(a) (1) An applicant for registration of a mark, party to an interference proceeding, party to an opposition proceeding, party to an application to register as a lawful concurrent user, party to a cancellation proceeding, a registrant who has filed an affidavit as provided in section 8, or an applicant for renewal, who is dissatisfied with the decision of the Commissioner or Trademark Trial and Appeal Board, may appeal to the United States Court of Cutoms and Patent Appeals. * * *"

Reasons for Granting Writ

I. Jurisdiction

In Brenner, Comr. Pats. v. Manson, 383 U. S. 519; 148 USPQ 689 this Court granted certiorari for two reasons (1) to settle this Court's jurisdiction in *patent cases* in the Court of Customs and Patent Appeals and (2) to determine a disputed question of *patent* law to which the Court of Customs and Patent Appeals was apparently in *doubt* and divided in its opinion, namely as to what constitutes "utility" in chemical process cases. A similar question of this Court's certiorari jurisdiction in cases in the United States Court of Customs and Patent Appeals arising under the *trademark* law is involved.

Although it is believed that this Court's certiorari jurisdiction is clear in view of Section 1256 of Title 28 USC there is *no recorded case* wherein this Court has granted certiorari to the United States Court of Customs and Patent Appeals in a case involving the *trademark laws* as distinguished from the *patent* laws, and for this reason it is urged that this Court specifically rule that this Court

has certiorari jurisdiction to the United States Court of Customs and Patent Appeals in *trademark* cases.

The latest pronouncement of this Court in a *trademark case* as to certiorari jurisdiction was rendered in 1927—Postum Cereal Co. v. California Fig Nut Co., 272 US 693, which case has long interpreted as *precluding* certiorari jurisdiction over the decisions of the Court of Customs and Patent Appeals in such cases.

In 1962, however, this Court addressed itself to the *nature and status* of the Court of Customs and Patent Appeals in Glidden v. Zdanok, 370 US 530, but *expressly left open the question of whether Section 1256 conferred certiorari jurisdiction over patent and trademark cases.*

In March of 1966 this Court, in a case arising under the patent laws, Brenner v. Manson, *supra*, upheld this Court's certiorari jurisdiction to the United States Court of Customs and Patent Appeals under Article III, Section 1 of the Constitution of the United States on the basis of 28 USC 1256, and by implication though not by express statement indicated the Court's jurisdiction in trademark cases, but since the Brenner case was a *patent case* and not a *trademark case*, and since the laws relating to these two types of cases arise under different statutory provisions it is urged that the Court specifically grant certiorari in the present case to clearly establish its certiorari jurisdiction as to trademark cases in the Court of Customs and Patent Appeals.

The wording of the statute 28 USC Section 1256 appears broad enough to cover both patent and trademark cases, though neither is specifically referred to, and had it not been for the question raised by Justice Harlan in the Glidden case, *supra*, as to whether this section con-

ferred certiorari jurisdiction over patent and trademark cases decided in the Court of Customs and Patent Appeals no question might have remained. However, in view of this question as to both patent and trademark cases and the fact that the Brenner case, *supra*, related specifically to a *patent case* it is urged that this Court establish its certiorari jurisdiction in *trademark* cases as well.

II. Interpretation of Section 2(d) of the Trademark Statute (15 USC 1052d).

This Section reads as follows:

> "No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it—
>
> * * *
>
> (d) consists of or comprises a mark which so resembles a mark registered in the Patent Office or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when applied to the goods of the applicant, to cause confusion, or to cause mistake, or to deceive:
> * * *"

Just as differences arose in the Patent Office and in the Courts in the interpretation of the Patent Act of 1952 (35 USC 103), particularly as to Section 103 thereof with reference to the term "obvious" and as to Section 101 (35 USC 101) with reference to the term "useful" as applied to chemical processes, so differences have arisen both in the United States Court of Customs and Patent Appeals and in the Patent Office as well as in other Courts in connection with the interpretation of Section 2(d) of the Trademark Statute, as to the tests to be applied in determining likelihood of confusion, mistake or deception.

After the lapse of many years this Court in 1966 in the case of Graham v. John Deere Co., 383 US 1; 148 USPQ 459, laid down guidelines for the interpretation of Section 103 of the patent act and in the same year (1966) in the case of Brenner v. Manson, 383 US 519; 148 USPQ 689, this Court interpreted the meaning of the term "useful" in Section 101 as applied to chemical processses. In the latter case the Court of Customs and Patent Appeals, as in the present case, was *divided* in its interpretation, the majority of the Court holding that the process in suit was "useful" within the meaning of the statute, while Chief Judge Worley, in a dissenting opinion, considered that the process in suit did not meet the statutory requirement as to utility. This Court reviewed the case on petition for writ of certiorari and *reversed* the decision of the *majority* of the Court and *adopted* the position of the *dissenting minority.*

In the present case, as in the Brenner case, there has been a division of opinion within the Court of Customs and Patent Appeals itself, as to the tests to be applied in determining likelihood of confusion, with the majority ending up in doubt as to whether confusion is likely and the minority holding that when all facts of record are properly weighed and carefully considered *there is no room for doubt.*

This *state of doubt* also characterized the decision of the Trademark Trial and Appeal Board as noted by Judge Rich who commented as follows:

> "The true state of mind of the board seems to have been that it was in *doubt* about likelihood of confusion, out of which state it delivered itself by applying the old rule to resolve doubt in favor of the first user.
>
> I believe that confusion is not likely and have no doubt to be resolved."

Judge Rich then proceeded to enumerate the reasons for his conviction that confusion is not likely, four of which are set forth in numbered paragraphs in his opinion and others are included in the body of his decision. Similarly Judge Smith set forth in detail why he considers that there is no reasonable basis in the record for the existence of *doubt* and he concludes that the decision of the Board should be reversed.

Among the reasons set forth as to why confusion is unlikely are (1) the differences in the respective goods of opposer and applicant (2) the discriminating class of purchasers owing to the high cost of goods involved (3) the obvious differences in the marks themselves and (4) the fact that the marks of the parties are of a "highly suggestive nature" as pointed out by the Trademark Trial and Appeal Board in its decision (T. R. 26).

Points 2 and 4 are particularly pertinent with reference to the state of doubt in the mind of the Board in its decision appealed from, as pointed out by Judge Rich.

The Discriminating Purchaser Doctrine

For many years the courts including the Court of Customs and Patent Appeals have held that where the goods involved were relatively expensive as in the present case, even though the goods were similar or even substantially identical, marks which might be considered similar if applied to less expensive goods appealing to the casual purchaser would not be likely to cause confusion, mistake or deception owing to the care which would be exercised by the prudent or discriminating purchaser, where the goods to which the marks are applied involve a large capital expenditure, L. J. Mueller Furnace Company v. United Conditioning Corporation (CCPA 1955; 222 F. 2d

755; 42 CCPA 932; 106 USPQ 112); Sleepmaster Products Company, Inc. v. American Auto-Felt Corporation (CCPA 1957; 241 F. 2d 738; 44 CCPA 784; 113 USPQ 63); J. R. Wood and Sons, Inc. v. Reese Jewelry Corporation (CA 2, 1960) 278 F. 2d 157; 125 USPQ 367).

The "discriminating purchaser" doctrine was applied without question by the Court of Customs and Patent Appeals in the Patent Office until the Dobeckmun case (286 F. 2d 187; 48 CCPA 810; 128 USPQ 424) was decided by the Court of Customs and Patent Appeals in December, 1960, which case apparently raised *doubts* in the mind of the Patent Office as to the application and scope of the discriminating doctrine as indicated in the decision of the Trademark Trial and Appeal Board (T. R. 25), which doubts have now been carried over to the Court of Customs and Patent Appeals as indicated in the opinions in the present case, wherein the majority opinion considered that the Dobeckmun case warranted refusal of applicant's registration even though the goods of the parties were expensive and specifically different, whereas the two dissenting judges, Rich and Smith, both considered that the Dobeckmun case was not a precedent for denying the registration sought by applicant. Here it is significant to note that dissenting Judge Smith was the same judge who wrote the Dobeckmun opinion in the first place.

This situation indicates confusion on the part of both the Patent Office and the Court of Customs and Patent Appeals as to the application of the discriminating purchaser doctrine which should be dispelled by the instructions of this court setting forth the meaning and application of the discriminating purchaser doctrine, thus doing away with any *doubts* which may have arisen.

No Monopoly Can be Had in Weak or Suggestive Marks

This Court as far back as 1925 held that marks which had been widely used for many years by various companies and/or individuals because of their peculiarly suggestive meaning cannot be *monopolized* so as to prevent registration of the same or similar marks for different goods (American Steel Foundries v. Robertson, 269 U. S. 372, 383, 384 (1925).

In the present case the Trademark Trial and Appeal Board took judicial notice of the *highly suggestive* nature of the marks of the parties, BORMASTER and BORE-MATIC (T. R. 26), but nevertheless refused registration of applicant's trademark BORMASTER for goods differing from those of registrant.

Moreover Judge Rich, in his dissenting opinion (Paper No. 3) took judicial notice of the fact that not only were the prefixes BORE and BOR descriptive of the goods, but the suffixes MASTER and MATIC both have been used *ad nauseaum* in trademarks. However, in the face of the undisputed fact that opposer's mark is weak and the respective goods specifically different and expensive, the Court of Customs and Patent Appeals divided in its decision, the majority upholding the Patent Office in its refusal to register applicant's mark and Judges Rich and Smith contending that in view of all the facts there was *no ground for doubt* and no *likelihood* of confusion, mistake or deception, and accordingly the mark *should be registered.*

This division within the court as to the weight to be given weak or suggestive marks is of long standing and goes back to a fundamental difference in interpretation of the trademark law as between the Court of Customs and Patent Appeals and other courts. Thus for many years the Court

of Customs and Patent Appeals refused to consider third party registrations even to determine whether a mark was weak or suggestive, in spite of the fact that the Supreme Court in the American Steel Foundries case, *supra,* had taken judicial notice of the weakness or strength of a mark as determining likelihood of confusion. It was not until many years after the passage of the Lanham Act (Trademark Act of 1946) that the Court of Customs and Patent Appeals reversed its former position and began to realistically consider *all pertinent facts* including the strength or weakness of opposer's mark in opposition and cancellation proceeding, in order to determine whether confusion was likely to result from registration of applicant's mark. This transition and the cleavage within the court is clearly set forth in Shoe Corp. of America v. Juvenile Shoe Corp., CCPA 1959, 266 F. 2d 793, 121 USPQ 510, 46 CCPA 868, at which time the Court of Customs and Patent Appeals began to consider *all available evidence* including third party registrations in order to determine whether a word or syllable is descriptive or *suggestive.* The following is quoted:

121 USPQ 512

> "In determining whether a word or syllable has a descriptive or suggestive significance as applied to merchandise it is proper to take notice of the extent to which it has been used in trademarks by others on such merchandise. If it has been frequently so used, the inference is warranted that it is not purely arbitrary; that it would be likely to be understood by purchasers as identifying or describing the merchandise itself, rather than the source thereof, and hence as having little or no trademark significance."

Here however, as in the present case, the court was split as to the significance of that fact that opposer's mark was suggestive of the goods. Judge Worley in a strongly

worded opinion took the position that it was not necessary to consider third party registrations as a part of the determination of all facts available to determine the strength or weakness of opposer's mark. The following is quoted:

121 USPQ 513

> "During the thirty years Congress has charged this court with the responsibility of construing and applying the trademark statutes it enacts, we have, with two possible exceptions, consistently held that, in cancellation and opposition proceedings marks belonging to those not parties to the proceedings are not to be considered.
>
> One of the early decisions, Trustees for Arch Preserver Shoe Patents v. James McCreery & Co., 18 CCPA 1507, 49 F. 2d 1068, 9 USPQ 554, 556, involved an opposition proceeding. This court, after refusing to consider some one hundred third party registrations said:
>
> > We are not unmindful of the fact that, in proceedings in courts of equity relating to unfair competition and trademark infringment cases, the courts take cognizance of the situations created by numerous uses of resembling marks on similar characters of merchandise and, in adjusting the equities, give consideration to such situations. * * *"

As was pointed out by Judge Worley other courts including the United State District Court for the District of Columbia and the United States Court of Appeals for the District of Columbia had previously gone to great lengths to determine this very point, namely the strength or weakness of opposer's mark. (See Perfection Co. v. Coe, Commr. Pats., 64 F. Supp. 942, 68 USPQ 69, 1946 and Patton Paint Co. v. Sunset Paint Co., 290 F. 323.

The former case is a decision of the United States District Court for the District of Columbia and the latter is a decision of the Court of Appeals for the District of Columbia.

The Perfection Co. case quotes the earlier Patton Paint Co. case as follows:

68 USPQ 71

> "The word 'Sun', and representations of the sun, have been used so long by business men in the making of trade mark names and devices, that neither one nor the other can be so exclusively appropriated by one manufacturer or tradesman as to wholly deny its use in any manner by others."

In view of the internal differences within the Court of Customs and Patent Appeals itself and with other courts as to the weight to be given suggestive marks, certiorari should be granted.

Summary

From the above discussion it is apparent (1) that important questions of Federal Law are involved which have not, but should be settled by this Court, namely, (a) the question of certiorari jurisdiction of this Court in *trademark* case arising in the Court of Customs and Patent Appeals, and (b) the question of interpretation of Section 2d of the trademark statute; (2) that the Court of Customs and Patent Appeals in failing to give proper weight to the suggestiveness of opposer's mark has decided a federal question in a way in conflict with an applicable decision of this Court, namely the American Steel Foundries case, 269 U. S. 372, 383, 384 (1925); (3) that the diversity of opinion as between the majority and minority of the Court of Customs and Patent Appeals as to the proper interpretation of the trademark statute raises *doubts* as to the meaning of this law which warrants the exercise of this Court's power of supervision; and (4) that the majority opinion of the Court of Customs and Patent Appeals in failing

to give proper weight to the weak or suggestive character of opposer's mark has rendered a decision in conflict with a decision of another court of appeals as to the same general subject matter, namely the decision of the Court of Appeals of the District of Columbia in Patton Paint Co. v. Sunset Paint Co., 290 F. 323, *supra*.

Conclusion

For the foregoing reasons this Petition for Writ of Certiorari should be granted.

Respectfully submitted,

AMERICAN MANUFACTURING COMPANY OF TEXAS,

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APPENDIX A

Certificate of Clerk

UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

Patent Appeal No. 7807.

AMERICAN MANUFACTURING COMPANY OF TEXAS,

Appellant,

v.

THE HEALD MACHINE COMPANY,

Appellee.

I, GEORGE E. HUTCHINSON, Clerk of the United States Court of Customs and Patent Appeals, do hereby certify that the following attached papers are a true and complete transcript of record and proceedings had in said court in the above-entitled appeal as the same remain of record and on file in this office.

1. Transcript of Record
2. Journal entry—Oral argument of appeal
3. Opinion and judgment of the Court
4. Journal entry—Opinion and judgment
5. Journal entry—Denial of petition for rehearing
6. Final mandate

WITNESS my hand and the seal of this court this 29th day of March, A. D. 1968.

....., *Clerk.*

Oral Argument and Appeal

UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

Thursday, October 5, 1967

At a session of said court continued and held at the city of Washington, pursuant to adjournment, on this 5th day of October, A. D. 1967.

Present the Honorable Eugene Worley, Chief Judge, and the Honorables Giles S. Rich, Arthur M. Smith and J. Lindsay Almond, Jr., Associate Judges, and the Honorable William H. Kirkpatrick, Senior Judge for the Eastern District of Pennsylvania.

The court was opened for business in due form.

Patent Appeal No. 7807.

AMERICAN MANUFACTURING COMPANY OF TEXAS,

Appellant,

v.

THE HEALD MACHINE CO.,

Appellee.

Said appeal came on to be heard before the court and after hearing the arguments of counsel the cause was taken under advisement by the court.

Opinion and Judgments of Court

UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

October Term 1967.

Patent Appeal No. 7807.

Opposition No. 43,814.

AMERICAN MANUFACTURING COMPANY OF TEXAS,

Appellant,

v.

THE HEALD MACHINE COMPANY,

Appellee.

November 9, 1967.

ALMOND, *Judge.*

American Manufacturing Company of Texas appeals from the decision of the Trademark Trial and Appeal Board[1] sustaining the opposition of The Heald Machine Company to an application for registration of the mark "BORMASTER" for cross slide assemblies for metal working lathes. Appellant asserts continuous use since May 13,

[1] 147 USPQ 533

1963. Registration is sought in class 23 which relates to cutlery, machinery and tools, and parts thereof.

Appellee is the registrant of "BORE-MATIC" for machines for the precision finishing of holes or bores in parts of metal, fiber and like materials (Reg. No. 292,921, issued March 29, 1932; renewed), also in class 23.

Both parties rely on affidavits accompanied by exhibits.

The record discloses that appellee is a large manufacturer of machine tools. Long prior to appellant's date of first use, appellee has used BORE-MATIC on many types of boring machines, one of which possesses characteristics the same as those of a lathe. In addition to the above products, appellee manufactures hydraulic cross slides and manual cross slides which serve as attachments for its BORE-MATIC machines. During the period since 1931, appellee has expended $2,000,000 in advertising its BORE-MATIC machines with sales amounting to $62,000,000.

Appellant's proof, in material substance, is to the effect that it uses the registered mark SPEEDMASTER for spindle assemblies for machine tools[2] and BORMASTER for cross slide assemblies for metal working lathes. The spindle and cross slide assemblies are accessories for use on lathes which are sold under the mark AMCOT. The AMCOT lathes sell for approximately $50,000, and the BORMASTER cross slide assemblies sell for approximately $5,500.

Priority of registration and use clearly reside with appellee. It is abundantly clear that the involved products are closely related and normally move through the same channels of trade to the same class of purchasers.

Appellant contends that, inasmuch as the only feature which the marks possess in common is the prefix "Bor"

[2] Reg. No. 769,491, issued May 12, 1964.

or "Bore," which is in the public domain and possesses little trademark significance and, further, that the goods of the parties are expensive and sold only to a prudent and discriminating class of purchasers, confusion is not likely to occur in the market place.

In sustaining the opposition, the board reasoned as follows:

> While the prefix "BOR" or "BORE" may be *publici juris* as applied to boring machines, we must still consider the marks of the parties in their entireties and, when so considered, we conclude that applicant's "BORMASTER" so resembles "BORE-MATIC" that, as applied to applicant's goods, there would be a likelihood of confusion or mistake. In so doing, we have given due consideration to applicant's argument that these products are sold to discriminating purchasers but do not believe that where, as here, the products of the parties are substantially the same, such factor is of controlling significance. See: *In re* Dobeckmun Company, 128 USPQ 424 (CCPA, 1961). While there may be some elements of doubt as to whether confusion would be likely because of the highly suggestive nature of the marks of the parties, we follow the established practice of resolving any such doubts in favor of the first user. [Citations omitted.]

We have considered the cases cited and relied on by appellant and the arguments advanced. We are persuaded, however, that the rationale employed by the court in the *Dobeckmun* case, 48 CCPA 810, 286 F. 2d 187, 128 USPQ 424, is pertinent here and was correctly applied by the board.

Here, as in *Dobeckmun,* we have closely related goods. The court stated:

> The owner of the prior registered mark has the right to use his mark on such closely related goods.
>
> Similarity of the products of appellant and of registrant is of greater legal significance in applying

> Section 2(d) than are the possible semantic differences * * *. Section 2(d) requires us to determine not whether the goods are identical but only whether applicant's mark so resembles the prior mark as to be likely when applied to its goods to cause confusion, or mistake, or to deceive purchasers.

Even though we are dealing here with expensive goods which are purchased by discriminating and sophisticated purchasers, the marks and the goods on which they are used are sufficiently close as to raise the question of likelihood of confusion. While we agree with the Trademark Trial and Appeal Board that there may be some elements of doubt as to whether confusion would be likely in this particular situation, such doubts must be resolved in favor of the first user.

Perceiving no reversible error in the decision of the board, we *affirm*.

AFFIRMED.

Dissenting Opinion of Judge Rich

UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

October Term 1967.

Patent Appeal No. 7807.

Opposition No. 43,814.

AMERICAN MANUFACTURING COMPANY OF TEXAS,

Appellant,

v.

THE HEALD MACHINE COMPANY,

Appellee.

November 9, 1967.

RICH, *Judge,* dissenting.

In substance, all the majority opinion says by way of explaining why it affirms is that it agrees with the reasoning of the board.[1] I cannot find in the board's opinion any rationalization of *why* it thought confusion would be likely. The opinion merely recites some of the stipulated facts[2]

[1] The board opinion is published at 147 USPQ 533.

[2] It was stipulated by the parties that the testimony could be introduced in the form of affidavits. Each side then submitted the affidavit of a vice-president reciting facts about his own company's business. There are no conflicts between the two affidavits. This is tantamount to stipulating facts.

and then states the conclusion that confusion is likely. No doubt the board based its conclusion on the obvious similarities of the marks *as a whole* and its holding that the goods are "substantially the same." It then cited *In re Dobeckmun Co.*, 48 CCPA 810, 286 F. 2d 187, 128 USPQ 424, which I consider no precedent for the result reached, even if we consider the goods to be *identical* in the sense of all being machine tools. Within that catagory, the goods are actually quite different. The true state of mind of the board seems to have been that it was in *doubt* about likelihood of confusion, out of which state it delivered itself by applying the old rule to resolve doubt in favor of the first user.

I believe that confusion is not likely and have no doubt to be resolved. The reasons for my conviction follow.

First, insufficient weight has been given to the facts as to the actual goods sold under the respective marks, to whom they are sold, the purposes for which they are bought, and the prices involved.

Appellant's cross-slide assemblies cost $5,500 or so—as much as a luxury automobile—and are designed expressly for use with appellant's $50,000 lathes. The record shows that they will not fit any other machine tool. Therefore, what is involved in the purchase of one of these BORMASTER cross-slide assemblies is ownership of a $50,000 tool and purchase of a $5,500 attachment for it. Such a purchase is not a casual transaction and unquestionably involves engineering specification of exactly what is wanted and of a specific known source, from which alone it can be had, and knowledgeable corporate purchasing-agent handling of the whole transaction. Appellee's affidavit states as to purchasers:

> In every case, the sales are made to manufacturers who make use of machine tools and use them for manufacturing a finished product. These customers would be the same customers who would purchase lathe cross-slide assemblies and similar machine products.

These are thus capital goods involving large capital outlays not consumer goods.

Opposer's position, accepted below and by the majority, is that because it sells BORE-MATIC boring machines, the aforesaid purchasers are going to be confused as to the source of the $5,500 BOREMASTER cross-slide attachments and think they come from the opposer. I cannot see the slightest possibility of such confusion for the following reasons:

1. The extreme care that goes into the purchase of a $5,500 attachment for a $50,000 machine with an attendant *certainty* of the source from which it is purchased.

2. The obvious differences in the marks: (a) the wholly different mental impressions generated by "MASTER" vs. "MATIC", both used *ad nauseam* in trademarks; (b) the different spellings of "BORE" and "BOR"; (c) the hyphenation vs. the non-hyphenation; and the very significant fact that the word "bore," however spelled, is descriptive of the goods of both parties, indicating that they are machines or accessories for accomplisshing boring operations in a factory, for which reason that portion of the marks would not be taken by anyone as an indication of origin.

3. The fact, not mentioned by the majority, that opposer-appelle appears to emphasize "MATIC" in its business by using at least a small family of marks including, in addition to BORE-MATIC, CENTRI-MATIC, GAGE-MATIC, and SIZE-MATIC. Why, then, should anyone take a "MASTER" mark as indicating origin in appellee? Because "BOR"

is in the mark? Certainly not! I note again that this is a hyphenated family and that appellant's mark is non-hyphenated.

4. If the $2,000,000 of advertising and $62,000,000 of sales by appellee have any significance in this case it is, in my opinion, that the purchasers, actual and potential, of appellee's machines by now be quite familiar with the BORE-MATIC trademark so that they would be even less likely to think BORMASTER has any connection with appellee than if the sales and promotion had been smaller.

The *Dobeckmun* case is no real support for the board's decision—or the majority's—when its facts are considered. The marks there involved were DURAFILM, sought to be registered for packaging films, and the cited prior registration of DUROFOIL for foil laminated to paper or to transparent film for wrapping purposes. We felt that purchasers of the films and foils—who were industrial packagers—might well think DURAFILM and DUROFOIL were products "of a single producer," trademarks on "companion products" of film and foil. I see no such possibility on the facts of the present case. The "rationale" we applied in *Dobeckmun* cannot be applied here.

The test we have to apply here is a statutory test as prescribed in section 2(d) of the Lanham Act (15 USC 1052(d)). It is not enough that there are resemblances between the marks and similarities between, or even identity of, goods and priority in the opposer. The test of the statute is that applicant's mark

> * * * *so* resembles a mark registered in the Patent Office or a mark * * * previously used in the United States by another and not abandoned, *as* to be likely, *when applied to the goods of the applicant,* to cause confusion, or to cause mistake, or to deceive: * * *. [My emphasis.]

We are thereby required to consider realistically *all* of the circumstances pertaining to the use of the applicant's mark on the applicant's goods *vis-a-vis* the opposer's marks and uses. I do not believe the board did so. In fact, its opinion indicates that it put aside one of the principal circumstances; the board said:

> In so doing [concluding confusion was likely], we have given due consideration to applicant's argument that these products are sold to discriminating purchasers *but do not believe that where, as here, the products of the parties are substantially the same, such factor is of controlling significance.* [My emphasis.]

It cited the *Dobeckmun* case for that proposition but that case does not support such a broad statement; all we did there was to decide that on *all* the circumstances there before us confusion was likely. The circumstances here are quite different. Even if the goods are identical, it remains necessary to consider all the other circumstances and they may be of controlling significance.

The majority opinion adds nothing new. It gives blanket approval to what the board said and the board's application of the *Dobeckmun* case. I think both were in error. Like the board, the majority appears to have ended up in doubt.

Since I conclude on all the circumstances of record surrounding the sale of the respective goods under the marks involved that there is no room for doubt, I would reverse.

Dissenting Opinion of Judge Smith

UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

October Term 1967.

Patent Appeal No. 7807.

Opposition No. 43,814.

AMERICAN MANUFACTURING COMPANY OF TEXAS,

Appellant.

v.

THE HEALD MACHINE COMPANY,

Appellee.

November 9, 1967

SMITH, *Judge* dissenting.

While I agree with Judge Rich that this case should be reversed, I arrive at this conclusion for somewhat different reasons than are stated in his dissenting opinion. I agree with him that *In re The Dobeckmun Co.*, 48 CCPA 810, 286 F. 2d 187, 128 USPQ 424 (1960), is not properly applicable here, "when its facts are considered." In *Dobeckmun*, this court pointed out that even a discriminating purchaser might well assume that the marks there in issue were trade-

marks on *companion products* of a *single* producer. *Id.* at 813, 286 F. 2d at 188, 128 USPQ at 426. On the facts before us here, I believe, as Judge Rich has indicated, that the "discriminating purchaser" argument has merit. I do not think, however, that the "rationale" of *Dobeckmun,* and the approach there taken in the analysis of trademark problems of the present type should be ignored even though other factors may well dictate the ultimate decision.

As a result of dissecting the competing marks to find their similarities and their differences, as I agree must be done, the only similarities of the marks reside in a common non-distinctive prefix. The prefix "BOR" or "BORE," it seems to me, is somewhat descriptive of the respective apparatuses to which the marks are applied. In the absence of evidence to the contrary, these common portions of the marks under review must be considered to indicate the nature of the goods rather than the source of the goods. Section 2(d) of The Trademark Act of 1946 proscribes registration of a mark when, as applied to applicant's goods, it is likely to cause confusion, mistake or to deceive. It is the likelihood of confusion, mistake or deception of purchasers as to the source of the goods on which applicant's mark is used that forms the basis for the fundamental inquiry here.

The differences in the marks are found primarily in the respective suffixes, "MASTER" as used by the applicant and "-MATIC" as used by the opposer.

As I compare the entire marks here in issue, keeping in mind the similarities and differences noted by dissection of the marks, it is my opinion that they differ so in sound, meaning and appearance that I believe there would be no likelihood of confusion, mistake or deception of discriminating purchasers as to the source of the goods arising by

reason of the concurrent use of the marks on the goods of the respective parties.

It is only when all of the facts of record, properly weighed and carefully considered, do not prove conclusive of one result or another that we should resolve the doubt in favor of the first user. As a *mechanism of policy*, this practice should be resorted to only when the record provides a reasonable basis for the existence of such a doubt. I do not believe that this is a case which requires application of this policy since the conclusion seems to be quite clear.

I would, therefore, reverse the decision below.

Journal Entry—Opinion and Judgment

UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

Thursday, November 9, 1967

At a session of said court continued and held at the city of Washington, pursuant to adjournment, on this 9th day of November, A. D. 1967.

Present the Honorable Eugene Worley, Chief Judge, and the Honorables Giles S. Rich, Arthur M. Smith and J. Lindsay Almond, Jr., Associate Judges and the Honorable William H. Kirkpatrick, Senior Judge for the Eastern District of Pennsylvania, and the Honorable Marvin Jones, United States Senior Judge for the Court of Claims.

The court was opened for business in due form.

Patent Appeal No. 7807.

AMERICAN MANUFACTURING COMPANY OF TEXAS,

Appellant,

v.

THE HEALD MACHINE COMPANY,

Appellee.

Said appeal having heretofore been brought on to be heard before the court and due consideration thereon having been had, it is—

ORDERED that the decision of the Trademark Trial and Appeal Board be, and the same is hereby, affirmed. Opinion by Almond, Associate Judge. Dissenting opinion by Judge Rich. Dissenting opinion by Judge Smith.

Journal Entry—Denial of Petition

UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

Thursday, February 15, 1968

At a session of said court continued and held at the city of Washington, pursuant to adjournment, on this 15th day of February, A. D. 1968.

Present the Honorable Eugene Worley, Chief Judge, the Honorables Giles S. Rich, Arthur M. Smith, and J. Lindsay Almond, Jr., Associate Judges, the Honorable William H. Kirkpatrick, Senior Judge for the Eastern District of Pennsylvania, and the Honorable Marvin Jones, United States Senior Judge for the Court of Claims.

The court was opened for business in due form.

Patent Appeal No. 7807.

AMERICAN MANUFACTURING COMPANY OF TEXAS,

Appellant,

v.

THE HEALD MACHINE COMPANY,

Appellee.

Appellant having duly filed petition for rehearing and due consideration thereon having been had, it is—

ORDERED that said appeal be, and the same is hereby, denied.

Final Mandate

CERTIFICATE *RE* MANDATE OF COURT OF CUSTOMS AND PATENT APPEALS

UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

Patent Appeal No. 7807.

AMERICAN MANUFACTURING COMPANY OF TEXAS,

Appellant,

v.

THE HEALD MACHINE COMPANY,

Appellee.

The final mandate in the above-entitled appeal, consisting of a certified copy of the order of the court of the 9th day of November, 1967, was issued to the Commissioner of Patents on the 26th day of February, 1968.

....., *Clerk.*

APPENDIX B

Copy of Decision of Trademark and Appeal Board

DECISION OF TRADEMARK AND APPEAL BOARD, JULY 30, 1965

Before Leach, Waldstreicher, and Shryock, Members.

Opinion by Shryock, Member:

An application has been filed to register "BORMASTER" for cross slide assemblies for metal working lathes, use since May 13, 1963 being asserted.

Registration has been opposed by The Heald Machine Company, registrant of "BORE-MATIC" for machines for the precision finishing of holes or bores in parts of metal, fiber and like materials.[1]

The record consists of the affidavit testimony of both parties with accompanying exhibits.

Opposer's record shows that it is a sizeable manufacturer of machine tools and that it has, since well prior to applicant's date of first use, used the mark "BORE-
21 MATIC" on many different types of boring machines, at least one of which possesses some of the same characteristics as a lathe. In addition, opposer manufacturers hydraulic cross slides and manual cross slides for use as attachments for its "BORE-MATIC" machines. During the period from 1931 to the present, opposer has expended $2,000,000 in advertising in "BORE-MATIC" machines, with sales amounting to $62,000,000.

Applicant's testimony is to the effect that it uses the registered mark "SPEEDMASTER" for spindle assemblies for

[1] Reg. No. 292,921, issued Mar. 29, 1932; renewed.

machine tools [2] and "BORMASTER" for cross slide assemblies for metal working lathes, and that both of these products are accessories for use on lathes manufactured by opposer and sold under the mark "AMCOT". It is also stated that "AMCOT" lathes sell for approximately $50,000, and that "BORMASTER" cross slide assemblies sell for approximately $5,500.

Opposer is clearly the prior user of its mark, and there can be no doubt but that the machine tools here involved are closely related products which would normally move through the same trade channels to the same class of purchasers.

It is applicant's contention that the only feature which the marks possess in common is the prefix "BOR" and that such prefix, being descriptive, is in the public domain. It further urges that because of the high cost of the machine tools here involved they would be purchased with great care and that this factor would obviate any likelihood of confusion when one considers the difference in the terminal portions of the marks.

22 While the prefix "BOR" or "BORE" may be publici juris as applied to boring machines, we must still consider the marks of the parties in their entireties and, when so considered, we conclude that applicant's "BORMASTER" so resembles "BORE-MATIC" that, as applied to applicant's goods, there would be a likelihood of confusion or mistake. In so doing, we have given due consideration to applicant's argument that these products are sold to discriminating purchasers but do not believe that where, as here, the products of the parties are substantially the same, such factor is of controlling significance. See: In re Dobeckmun Company, 128 USPQ 424 (CCPA, 1961).

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[2] Reg. No. 769,491, issued May 12, 1964.

While there may be some elements of doubt as to whether confusion would be likely because of the highly suggestive nature of the marks of the parties, we follow the established practice of resolving any such doubts in favor of the first user. See: Castle & Cooke, Inc. v. Joseph E. Seagram & Sons, Inc., 145 USPQ 715 (CCPA, 1965); and Miles Laboratories, Inc. v. Vital Foods Corporation, 63 USPQ 303 (Comr., 1944), and cases cited therein.

Decision:

The opposition is sustained; and registration to applicant is refused.

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In the Supreme Court of the United States.

OCTOBER TERM, 1968

No. 83

AMERICAN MANUFACTURING CO. OF TEXAS,
Petitioner,
v.
THE HEALD MACHINE COMPANY,
Respondent.

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

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ADDISON C. GETCHELL & SON, INC., LAW PRINTERS, BOSTON.

In the Supreme Court of the United States.

OCTOBER TERM, 1967.

No. 1419.

AMERICAN MANUFACTURING CO. OF TEXAS,
Petitioner,
v.
THE HEALD MACHINE COMPANY,
Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS.

The petitioner has based its request for the issuance of the writ on two major areas, *i.e.*, jurisdiction and the interpretation of the trademark statute.

I. Jurisdiction.

The petitioner's argument is that there is some question as to whether the Supreme Court has the power to determine disputed questions of *trademark* law previously decided in the Court of Customs and Patent Appeals. It says that the question of the Supreme Court's jurisdiction over such cases is in doubt and should be resolved once and for all.

It is the contention of the respondent that this jurisdiction has never been since 1927 and is not now in doubt. The Supreme Court has, since time immemorial, been understood to have jurisdiction to review the final decisions of administrative tribunals, such as the C.C.P.A. If there were ever any doubt introduced by the *Postum* case in 1927, that doubt has been resolved by the clear wording of 28 U.S.C. 1256. The mere fact that there is *no recorded* case of a trademark case from the C.C.P.A. being reviewed by the Supreme Court is no reason for doing so now. As a matter of fact, there have been very few *patent* and *customs* cases of the C.C.P.A. which have been reviewed by the Supreme Court.

The absence of such reviews of trademark cases does not indicate *doubt* as to the Supreme Court's jurisdiction—it only indicates that the C.C.P.A.'s decisions over the years have seemed reasonable and did not require review.

The petitioner makes the mistake of arguing that *Brenner* v. *Manson* only applies to *patent* cases. On the contrary, the only possible reading of the case leads to the conclusion that the Supreme Court can review *any* case decided by the C.C.P.A. The same arguments used by the Court would apply to trademarks as well as to patents. Mr. Justice Fortas starts the decision with the following words:

> "This case presents two questions of importance to the administration of the patent laws: First, whether this Court has certiorari jurisdiction, upon petition of the Commissioner of Patents, to review decisions of the Court of Customs and Patent Appeals; . . ."

and he ends by saying:

> "The contrary is more plausible: that by using broad and unqualified language, Congress intended our cer-

tiorari jurisdiction over CCPA cases to be as broad as the Constitution permits.". *Brenner* v. *Manson*, 383 U.S. 519, 520, 527.

II. Merits of the Case.

In applying the trademark statutes the C.C.P.A. has had to determine the issue of whether the use by the petitioner of his trademark "BORMASTER" is "likely . . . to cause confusion" in view of the respondent's registered trademark "BORE-MATIC."

This issue, which is determinative of the case, must be resolved by a value judgment on the part of the judicial authority. Over the years, certain "tests" have been evolved to help the judge in reaching his verdict, but, ultimately, the result must be reached more or less intuitively.

The petitioner, however, would have the Supreme Court tell the C.C.P.A. that the majority either used the wrong "test" or applied the proper test wrongfully.

The DISCRIMINATING PURCHASER doctrine is such a "test." It says that, if the goods of the two parties are expensive, etc., then they can be closer in nature without the purchasers being confused as to their source. The petitioner says that the *Dobeckmun* case introduced *doubts* in the mind of the Patent Office, etc. This is entirely contrary to the fact: the C.C.P.A. in the *Dobeckmun* case was simply split in their value judgment of the facts—they were *not* split or in doubt as to the law that should be applied to the facts.

Similarly, the *American Steel Foundries* case and others have held that another "test" or factor to be used in making the value judgment is the secondary level judgment of whether the marks under consideration were SUGGESTIVE. Here again, this is not a case of the *law* being in doubt,

but a case where the judges on the C.C.P.A. used the same and the proper test, but reached different conclusions, as all men often do.

The petitioner attempts to make a point that the Supreme Court should review the present case because the C.C.P.A. and the Court of Appeals for the District of Columbia differ in whether they will accept evidence of third-party trademark registrations. However, such a question of admissibility *never came up* in the present case! So far as this case is concerned, the question is moot.

In conclusion, then, the petitioner is asking the Supreme Court to resolve a doubt as to the application of tests that case law has evolved to assist judges in making their value judgment on the ultimate fact of "likelihood of confusion." It is the respondent's point that there is no such *doubt*, but only differences of intuitive conclusions reached in somewhat similar cases. A close analysis of the dissenting opinions in the C.C.P.A. decision shows that the dissenters did not disagree with the majority as to the applicable law, but only as to the *conclusions* reached by applying that law.

The respondent asks that the petition for writ of certiorari be denied.

Respectfully submitted,

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